

HELM

FINANCIAL CORPORATION

One Embarcadero Center • San Francisco, CA 94111
415/398-4510 FAX 415/398-4816

VIA DHL OVERNIGHT

June 6, 2001

Mr. Vernon Williams
Surface Transportation Board
1925 K Street, NW
Washington, D.C. 20423-0001



Dear Mr. Williams:

Enclosed for filing with the Surface Transportation Board are **four (4)** originals of a Partial Termination. In connection with the recording of this Partial Termination, please note the following information:

Previous STB Filing: **Security Agreement** in connection with that certain **Revolving Credit and Term Loan Agreement** dated as of October 18, 2000, under Recordation No. **23168**, filed at the Surface Transportation Board of the Department of Transportation on October 18, 2000 at 2:43 p.m.

Secured Party:

Fleet National Bank
100 Federal Street
Boston, MA 02110

Debtors: (collectively)

Helm Holding Corporation
Helm Financial Corporation
Helm Locomotive Leasing Corporation
One Embarcadero Center, Suite 3700
San Francisco, CA 94111

A short summary of the document to appear in the index follows:

Partial Termination dated April 4, 2001, of the Security Agreement in connection with that certain Revolving Credit and Term Loan Agreement dated October 18, 2000 between Fleet National Bank as Secured Party and Helm (collectively) as Debtors terminating **one (1)** locomotive with the Mark **IAIS** and the Number **604**.

Please file this Partial Termination as a secondary document to Recordation No. **23168** and return **three (3)** STB stamped originals to me. A check for twenty-eight dollars (\$28.00) is enclosed for the filing fee. If you have any questions, you may reach me at (415) 398-4510, Ext. 0.

Yours truly,

Alison Drain
Document Administrator

/ad
enclosures(4)

RECORDATION NO. 23168-R FILED

JUN 7 '01 3:35 PM

TS
SURFACE TRANSPORTATION BOARD

PARTIAL TERMINATION OF
SECURITY AGREEMENT

THIS PARTIAL TERMINATION OF SECURITY AGREEMENT ("Partial Termination") is dated as of April 4, 2001, by FLEET NATIONAL BANK, a national banking association ("Fleet") as the Agent for the Lenders (as defined in the Credit Agreement described below), for the benefit of HELM HOLDING CORPORATION, a California corporation, HELM FINANCIAL CORPORATION, a California corporation and HELM LOCOMOTIVE LEASING CORPORATION, a California corporation (collectively, "Helm").

1. Recitals. Helm owns the rail equipment bearing the Association of American Railroad reporting mark and number as described in Exhibit A attached hereto (the "Unit"). Helm has granted a blanket security interest in all of its assets now owned or hereafter acquired (the "Collateral"), to Fleet upon the terms and conditions provided in that certain Security Agreement dated as of October 18, 2000, between Helm and Fleet (the "Security Agreement") as filed with the Surface Transportation Board of the Department of Transportation ("STB") on October 18, 2000 at 2:43 P.M. under Recordation No. 23168. The Security Agreement was executed in connection with that certain Revolving Credit and Term Loan Agreement dated as of October 18, 2000, among the Borrowers, Lenders and Agent as defined therein (the "Credit Agreement").

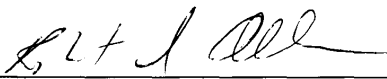
Helm intends to sell the Unit to a third party and desires that such sale shall be free and clear of any lien or security interest of Fleet. Helm requests Fleet's consent to such sale of the Unit and requests Fleet to terminate its lien and security interest in the Unit.

2. Consent & Partial Termination. Fleet hereby consents to the sale of the Unit by Helm. Fleet hereby forever terminates any and all liens and security interests in the Unit granted to it under the Security Agreement. Such liens and security interests in the Unit shall be forever terminated upon the filing of this Partial Termination with the STB, at which time all of Fleet's right, title and interest in and to the Unit shall be null and void.

This Partial Termination shall have no effect on Fleet's lien and security interest in any other Collateral other than the Unit and said lien and security interest in such other Collateral is hereby reaffirmed.

IN WITNESS WHEREOF, pursuant to due authority, Fleet has executed this Partial Termination of Security Agreement as of the date first above written.

FLEET NATIONAL BANK, as Agent

By: 

Print Name: ROBERT S. ALLEN
GROUP MANAGER

Its: _____

RECORDATION NO. 23168-B FILED

JUN 7 '01 3:55 PM

SURFACE TRANSPORTATION BOARD

STATE OF MASSACHUSETTS)
) S.S.
COUNTY OF Suffolk)


On April 17, 2001, before me, Caryn Suffolun,
personally appeared Robert S Allen, Group Manager of
FLEET NATIONAL BANK

X personally known to me -OR-

____ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument
and acknowledged to me that he/she/they executed the same in his/her/their
authorized capacity(ies), and that by his/her/their signature(s) on the
instrument the person(s), or the entity upon behalf of which the person(s)
acted, executed the instrument.

Witness my hand and official seal.


SIGNATURE OF THE NOTARY
Commission expires 11/27/03

[Notarial Seal]

EXHIBIT A

to the
Partial Termination of Security Agreement
dated as of April 4, 2001

THE UNIT

Equipment Description:

One (1) 2000 horsepower GP38 locomotive.

Mark and Number:

IAIS 604